

USAID/Guyana

Annual Report

FY 2005

June 16, 2005

Please Note:

The attached RESULTS INFORMATION is from the FY 2005 Annual Report and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Annual Report is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

Related document information can be obtained from:
USAID Development Experience Clearinghouse
8403 Colesville Road, Suite 210
Silver Spring, MD 20910
Telephone: (301) 562-0641
Fax: (301) 588-7787
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

Portions released on or after July 1, 2005

Guyana

Performance:

Background

The 1992 elections created expectations for change in Guyana, marking the end of 28 years of rule by the People's National Congress-Reform (PNC/R). However, disagreement and lack of cooperation by opposition parties have prevented the government from delivering on the needed levels of stability, security, and inclusiveness. Despite faltering steps in creating an acceptable Democratic space, the incumbent People's Progressive Party-Civic (PPP/C) has been successful in promoting a private sector model for economic growth and has welcomed foreign direct investment (FDI). Present levels of FDI however are insufficient to stimulate business activity with growth constrained by infrastructure deficiencies and a deficit of skilled human resources, resulting from years of emigration and a subsequent "brain drain". Guyana is also threatened by an emerging HIV/AIDS epidemic and growing problems with drug use and drug trafficking.

The deteriorated state of relations between Guyana's two main political parties, the ruling PPP/C and the opposition PNC/R has undermined public confidence and continues to hamper progress on reforms. Support for the two parties remains divided along ethnic lines and has raised fears of inter-racial conflict and represents a threat to governability. The PNC/R is maintaining selective participation in Parliament, a situation which has largely prevailed since 2002, stalling much-needed dialogue.

Since reopening its doors in 1994, after nine years of closure due to differences between the U.S. Government and the Government of Guyana (GOG) over economic development policies, USAID's assistance to Guyana has steadily increased. In September 2003, Guyana became a recipient of assistance under President Bush's Prevention of Mother to Child Transmission (PMTCT) Initiative and is presently one of 15 focus countries under the President's Emergency Plan for AIDS Relief (PEPFAR) Initiative. As a result funding for the HIV/AIDS strategic objective increased from \$200,000 in FY 2000, to \$5,895,000 in FY 2004. Guyana has also been selected to apply for FY2005 Millennium Challenge Account (MCA) threshold program assistance. If Guyana is successful, USAID in partnership with the GOG and the MCA, will take the lead in implementing the threshold program.

The present USAID program takes into consideration the many constraints facing Guyana, it also attempts to capitalize on the country's strengths by taking advantage of existing programs and lessons-learned. Proposed interventions are critically assessed to ensure applicability, avoid pitfalls, and are done within realistic assumptions regarding USAID/Guyana's staffing levels and program and operating expense budgets.

US Interests and Goals

USAID objectives in Guyana advance U.S. strategic goals in the areas of: (1) Counter Terrorism, including the assurance of Strong and Stable Democratic Institutions; (2) Global Health; and (3) Economic Growth and Prosperity. The USAID program seeks to promote democracy in Guyana by emphasizing greater citizen participation in government and more transparent government operations, including those concerning local and national elections. Assuring elections are open, fair, and transparent will increase trust in government, thereby promoting stability and respect for the rule of law. In addition, administration of justice that is truly independent, fair, timely and efficient also contributes to stability in Guyana. A stable Guyana, contributes to regional peace and stability in the Western Hemisphere by minimizing the opportunity for ungoverned space which can become a refuge for terrorists and drug traffickers.

Economic Growth activities under the USAID Program seek to improve the climate for Guyana's value-

added exports and enhance its trade negotiating skills by strengthening its ability to implement negotiated positions in regional and international trade organizations. The program will tap Guyana's considerable potential as an exporter of value-added products by working both internationally and domestically to create favorable conditions for expanding the export market and increasing the competitiveness of export-oriented firms. It will also work in the area of investment and, in this respect, will complete an Investor's Guide which will promote investment opportunities in Guyana, as well as undertaking efforts to strengthen corporate governance and the securities market.

The USAID Program supports the goal of Global Health by directly working to prevent mother to child transmission of HIV, treating Opportunistic Infections (OIs), Sexually Transmitted Infections (STIs), and HIV/AIDS. Support to those living with HIV and AIDS is provided through home-based and community care. The program also seeks to reduce the stigma of HIV/AIDS and enable affected persons to better cope with the disease.

Donor Relations

About 16 percent of Guyana's budget is financed by donors. USAID, the Canadian International Development Agency (CIDA), and the United Kingdom's Department for International Development (DFID) are the leading bilateral donors, with USAID being the largest. Multilateral donors and International Financial Institutions include the World Bank, the International Monetary Fund (IMF), the European Union (EU) and the Inter-American Development Bank (IDB). United Nations (UN) agencies in Guyana include UN Development Program (UNDP), the UN Children's Fund (UNICEF), the UN AIDS Program (UNAIDS), the UN Educational, Scientific, and Cultural Organization (UNESCO), and the Pan-American Health Organization (PAHO). The major bilateral donors meet once a month to coordinate policy.

Effective donor coordination is present at each strategic objective level. An expanded thematic donor group, chaired by the Guyana Minister of Health and UNDP, meet monthly to coordinate HIV/AIDS activities in country. All donors have pulled information together in a consolidated fashion for a donor activity matrix. Additionally, USAID's HIV/AIDS Technical Advisor sits on the Country Coordinating Committee for the Global Fund for AIDS, Tuberculosis and Malaria. USAID plans to continue to offer ongoing technical support to the Government of Guyana on the Global Fund. The Mission also participates as members of a thematic group on Governance, chaired by the head of the Presidential Secretariat, and a donor coordination group on Private Sector issues which meets quarterly.

Challenges

Despite its natural resource endowment, proximity to North America, moderate climate, and recent economic reforms, Guyana has not been able to exploit its considerable potential. Economic and social development have been impeded by a number of factors, which include a weak legal and regulatory framework, a poor business environment, excessive out-migration, inadequate infrastructure, a high degree of centralization, and internal ethnic divisions.

A critical weakness of the Guyanese economy is the cumbersome legal and regulatory framework relating to trade and investment. Many critical policies and regulations are unclear, outdated, or simply not in place. The judicial system, on whose integrity economic transactions depend, is also slow and in need of reform to be truly effective and independent. Together these factors have interfered with establishing an investment climate that is credible, stable, secure, and optimistic.

The government of Guyana has recently undertaken a number of reforms aimed at improving the policy and regulatory environment. Such measures include the passage into law of the "Procurement Act", "Small Business Act", and "Investment Act", aimed at improving the transparency of procurement processes and fostering a better environment for small enterprise development and investment. A National Trade Policy Strategy and National Trade Capacity Building program have also been developed. The government of Guyana is also working in the area of tax reform with the aim of implementing a value-added tax (VAT) by 2006. These are encouraging and tangible signs that the government is serious about improving the climate for trade and investment, and stimulating entrepreneurialism.

The tensions between the ruling PPP/C and the main opposition party PNC/R continue to persist, stalling dialogue for over 18 months. The PNC/R has selectively attended sessions of Parliament and this impasse has hindered the implementation of USAID activities in support of the Parliament, the Guyana Elections Commission, and Local Government Reform.

The chronic shortage of health care professionals in Guyana required to support the PMTCT sites poses a major challenge under the HIV/AIDS program. USAID has successfully begun to address this issue by recruiting retired nurses, graduates from the University of Guyana, and NGO volunteers, to work with the Guyana Ministry of Health in PMTCT sites experiencing a shortage of qualified staff.

Key Achievements

During FY 2004, the USAID Program in Guyana was in a state of transition with strategic objectives under the 1999-2003 strategy in closeout stages, and implementation commencing on the new 2004-2008 Strategy. The new Country Strategic Plan builds upon achievements gained from the previous program.

Health: In 2003, Guyana became a recipient under President Bush's Prevention of Mother to Child Transmission Initiative, and later became one of 15 focus countries under the President's Emergency Plan for AIDS Relief. The increased funding realized as a result of these Presidential Initiatives has enabled the program to focus on: PMTCT including improvement of the health infrastructure and training of health care providers; social marketing efforts to educate the public about HIV prevention and to promote testing; the establishment of healthy youth clubs; a national behavior change communication campaign; care and support services; and, strengthening the coordination and collaboration among key players. Progress has also been made in involving faith based organizations (FBOs) in HIV/AIDS work, particularly as it relates to 'Abstinence' and 'Behavior Change' ("AB") messages. Approximately one hundred (100) youth from four FBOs are now equipped with skills to conduct peer education training. Historically, FBOs have not been a very visible partner in the fight against the disease, but USAID views them as a 'target opportunity' for 'AB' efforts and will ensure greater involvement of this group.

Democracy and Governance: USAID assistance towards the improvement of the justice sector resulted in the adoption of court directed mediation, as a means towards reducing the backlog of cases. This activity received strong support from all stakeholders and a permanent mediation centre was established. At least 500 backlogged cases were dismissed, over 100 are in progress and at least ten cases were resolved through alternative dispute resolution mechanisms, since the program's inception.

Economic Growth: Assistance under the USAID program resulted in the passage of two important pieces of legislation the "Small Business Act" and the "Investment Act", which have contributed to a significant enhancement of the Guyanese business environment. An Exporters' Handbook which provides answers to "Frequently Asked Questions" about navigating the export market and system was completed. This Handbook serves as an essential tool of reference for potential exporters.

Results Framework

504-001 Improved Climate for Private Investment

504-003 Improved HIV/AIDS Awareness, Knowledge and Applied Prevention Strategies

SO Level Indicator(s):

- Comprehensive correct knowledge of HIV/AIDS among targeted groups increased
- Condom use among targeted groups increased
- Number of people receiving quality services from USAID-assisted indigenous NGOs increased

4 Increased access to PMTCT services

4.1 Number of USAID supported health facilities offering PMTCT services increased

4.2 Number of pregnant women accepting counseling and testing at USAID-supported facilities increased

504-004 More Responsive and Participatory Governance and Rule of Law

504-005 HIV Transmission Reduced and the Impact of AIDS Mitigated

SO Level Indicator(s):

- HIV seroprevalence among commercial sex workers (ages 15-24)

- HIV seroprevalence for 15 to 24 year olds (itinerant workers – loggers and miners or workers in the Sugar Industry)

- Number of HIV-infected persons receiving ARV treatment

- Number of HIV-infected women and babies receiving a complete course of antiretroviral prophylaxis to reduce the risk of mother-to-child transmission

- Percent of sexually active population with multiple sex partners

1 Improved Policy Coordination and Management

1.1 Enhanced capacity and quality of GOG HIV surveillance systems and their use in decision making

1.2 Increased capacity for advocacy around comprehensive response to HIV

1.3 Multi-sector coordination and planning increased

2 Increased use of risk reduction practices by most vulnerable populations

2.1 Behavior change communication improved and expanded

2.2 Community dialogue and action facilitated among NGOs, CBOs, FBOs and others

2.3 Condoms available, acceptable and used

3 Increased use of prevention and treatment services

3.1 Expanded access to "VCT Plus" services

3.2 Expanded access to "PMTCT Plus" services

3.3 Expanded access to ARV therapy and treatment of OIs

3.4 Human resources in health expanded and strengthened in HIV/AIDS

4 Increased use of community-based care and support services

4.1 Enhanced capacity for comprehensive community-based response to needs of PLWHA

4.2 Enhanced capacity for comprehensive community-based response to needs of OVC

504-006 Democratic Governance Consolidated

SO Level Indicator(s):

- Local and national elections outcomes peacefully accepted

- Percentage of citizens who believe the government is responsive to their needs/concerns

1 Citizens' participation in Policy Making Increased

1.1 Capacity and credibility of CSOs increased

1.2 Civic education programs institutionalized

1.3 Local government councillors elected and able to perform constituent-focused duties

1.4 Management and administrative capacity of local government organs increased

2 Transparency and accountability in governance increased

2.1 Internal controls & parliamentary oversight improved

2.2 Availability of GOG budget/expenditure & other information increased

2.3 Capacity of media to critically analyze & report on policy issues increased

2.4 Justice administered in a timely manner

- 2.5 Awareness Against Trafficking In Persons Enhanced
- 3 Vulnerability to ethnic/political conflict reduced
- 3.1 Political will to reduce ethnic/political conflict increased
- 3.2 Inter-ethnic cooperation & conflict resolution mechanisms operationalized
- 3.3 Healing & reconciliation processes institutionalized

504-007 Environment for Sustained Growth of Value-Added Exports Strengthened

SO Level Indicator(s):

- Increased value-added in exports
- Number and quality of public and private sector export institutions
- Number of trade policies and legislation implemented
- 1 Key trade & investment policies, standards and practices are consistent with negotiated obligations and international best practices
 - 1.1 Human & institutional capacity to prepare negotiating positions and implement negotiated commitments
 - 1.2 Trade policy consultative process fosters: private/public consensus on policy, regulatory, and legislative priorities; increased domestic support for negotiating positions and international commitments
- 2 Firms interact to increase competitiveness in the export of value-added products & services to high-value niche markets
 - 2.1 Technical & business development services skills produce & deliver competitive products and services
 - 2.2 Institutional capacity strengthened to identify & establish links to high-value niche markets